

TABLE 1
SUMMARY OF RESOURCES
BY OBJECT OF EXPENDITURE

OBJECT OF EXPENDITURE	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 CURRENT	FY 2012 BUDGET	FY 2012 CHANGE
POSITIONS					
Administrative	717,000	701,200	702,200	700,000	(2,200)
Business/Operations Admin.	94,000	94,000	94,000	92,000	(2,000)
Professional	11,915,500	11,732,280	11,733,280	11,744,730	11,450
Supporting Services	8,224,415	8,216,203	8,221,203	8,072,971	(148,232)
TOTAL POSITIONS	20,950,915	20,743,683	20,750,683	20,609,701	(140,982)
01 SALARIES & WAGES					
Administrative	\$89,770,560	\$88,738,366	\$88,828,173	\$87,674,924	(\$1,153,249)
Business/Operations Admin.	8,564,618	8,910,149	8,910,149	8,577,422	(332,727)
Professional	919,636,615	911,675,893	911,818,386	903,017,082	(8,801,304)
Supporting Services	337,492,615	339,231,929	339,458,721	330,820,646	(8,638,075)
TOTAL POSITION DOLLARS	1,355,464,408	1,348,556,337	1,349,015,429	1,330,090,074	(18,925,355)
OTHER SALARIES					
Administrative	754,186	497,576	497,576	697,576	200,000
Professional	50,692,543	57,029,835	56,914,231	52,299,616	(4,614,615)
Supporting Services	22,930,579	21,312,571	21,139,842	20,762,259	(377,583)
TOTAL OTHER SALARIES	74,377,308	78,839,982	78,551,649	73,759,451	(4,792,198)
TOTAL SALARIES AND WAGES	1,429,841,716	1,427,396,319	1,427,567,078	1,403,849,525	(23,717,553)
02 CONTRACTUAL SERVICES	24,819,484	27,015,492	27,076,044	25,357,144	(1,718,900)
03 SUPPLIES & MATERIALS	61,932,324	64,626,127	64,705,327	63,414,356	(1,290,971)
04 OTHER					
Local/Other Travel	2,300,182	2,875,953	2,875,739	2,759,089	(116,650)
Insur & Employee Benefits	449,726,503	473,110,674	473,364,442	482,976,625	9,612,183
Utilities	44,348,956	43,097,838	43,029,338	44,964,178	1,934,840
Miscellaneous	50,969,248	50,254,037	49,894,724	49,566,827	(327,897)
TOTAL OTHER	547,344,889	569,338,502	569,164,243	580,266,719	11,102,476
05 EQUIPMENT	15,028,588	15,811,600	15,675,348	13,898,869	(1,776,479)
GRAND TOTAL AMOUNTS	\$2,078,967,001	\$2,104,188,040	\$2,104,188,040	\$2,086,786,613	(\$17,401,427)

TABLE 1A
FY 2012 OPERATING BUDGET - SUMMARY OF BUDGET CHANGES
(\$ in millions)

ITEM	AMOUNT	ITEM	AMOUNT
FY 2011 OPERATING BUDGET	\$2,104.2	REDUCTIONS	
ENROLLMENT CHANGES		School Based:	
Elementary/Secondary	13.0	School Improvement Planning Funds, Furniture & Equipment, Other	(0.8)
Special Education	3.3	Assistant School Administrators	(0.2)
PreKindergarten	0.3	Reserve Teachers	(1.3)
ESOL	0.9	Academic Intervention Teachers	(0.6)
Subtotal	\$17.5	Reading Recovery Teachers	(0.5)
		Staff Development Teachers	(3.7)
NEW SCHOOLS/SPACE	\$0.9	ESOL Teachers	(0.1)
		Instrumental Music Teachers	(0.1)
EMPLOYEE SALARIES - CONTINUING SALARIES	\$14.6	Career Prep Teachers	(0.3)
COSTS FOR CURRENT EMPLOYEES (including benefits)		Counselors	(0.6)
EMPLOYEE BENEFITS AND INSURANCE		English Composition Assistants	(0.5)
Employee Benefits Plan (active)	12.9	Instructional Technology Systems Specialists	(0.7)
Employee Benefits Plan (retired)	5.7	Paraeducators. Elem/Middle Lunch Hour Aides, Parent Comm. Coordinators	(1.7)
Retirement	11.5	High School Teacher Assistants	(0.1)
FICA/Self-Insurance/Workers' Compensation	2.9	Instructional Data Assistants	(1.0)
Subtotal	\$33.0	Media Assistants	(1.4)
INFLATION AND OTHER		School Secretaries	(0.6)
Textbooks, Instructional and Media Materials	0.6	Athletics	(0.7)
Utilities	2.8	Inflationary Costs for Textbooks and Instructional/Media Materials	(0.6)
Special Education Including Non-public Tuition	2.1	Special Education Staffing Ratios	(0.4)
Transportation	1.5	Secondary Learning Centers	(1.2)
Facilities/Plant Operations/Maintenance	0.7	Special Education Non-public Tuition	(2.1)
Technology	0.5	Other:	
ARRA Grants	(13.7)	Salary Steps and Longevities	(28.0)
Other Grant Projects - Revenue Changes	(0.7)	Contribution to Retiree Health Benefit Trust Fund (OPEB)	(47.6)
Other	0.1	Retirement Administration Fee	2.8
Contribution to Retiree Health Benefit Trust Fund (OPEB)	47.6	Employee Benefit Costs	(22.0)
Subtotal	\$41.5	Subtotal	(\$124.9)
REDUCTIONS		FY 2012 BUDGET	\$2,086.8
Central Services:		FY 2012- FY 2011 CHANGE	(\$17.4)
Office of School Performance	(0.2)	Less Enterprise funds	(56.5)
Office of the Deputy Superintendent of Schools	(0.2)	Less Grants	(79.3)
Office of Shared Accountability	(0.2)	SPENDING AFFORDABILITY BUDGET	\$1,951.0
Office of Curriculum and Instructional Programs	(1.8)	REVENUE CHANGE SOURCE	
Office of Special Education and Student Services	(1.3)	Local	(45.0)
Office of the Chief Operating Officer	(1.8)	State	88.7
Office of the Chief Technology Officer	(1.9)	Federal	(66.4)
Office of Human Resources and Development	(1.1)	Other	(1.8)
Office of the Superintendent of Schools	(0.3)	Fund Balance	6.7
Support Operations:		Enterprise	0.4
Utilities Efficiencies	(1.2)	TOTAL REVENUE INCREASE	(\$17.4)
Transportation - Seek Waiver of 25 Buses, Route Efficiency	(0.9)		

**TABLE 2
BUDGET REVENUE BY SOURCE**

SOURCE	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 CURRENT	FY 2012 ESTIMATED
CURRENT FUND				
From the County:	\$ 1,428,500,970	\$1,415,085,344	\$1,415,085,344	\$1,370,101,480
From the State:				
Bridge to Excellence				
Foundation Grant	223,603,678	264,653,233	247,142,612	290,374,171
Geographic Cost of Education Index	9,841,663	9,538,130	9,538,130	31,954,820
Limited English Proficient	42,741,912	43,826,987	43,826,987	49,786,885
Compensatory Education	88,497,924	94,625,835	94,625,835	106,595,114
Students with Disabilities - Formula	32,534,697	33,485,077	33,485,077	34,323,294
Students with Disabilities - Reimbursement	10,704,742	10,704,742	10,704,742	10,842,176
Transportation	31,266,432	31,038,830	31,038,830	35,210,643
Miscellaneous	273,727	750,000	750,000	750,000
Programs financed through State Grants	2,363,295			
Total from the State	441,828,070	488,622,834	471,112,213	559,837,103
From the Federal Government:				
Impact Aid	229,218	245,000	245,000	245,000
Programs financed through Federal Grants	120,775,845	118,802,528	136,322,804	69,895,226
Total from the Federal Government	121,005,063	119,047,528	136,567,804	70,140,226
From Other Sources:				
Tuition and Fees				
D.C. Welfare	337,468	250,000	250,000	270,000
Nonresident Pupils	422,884	925,000	925,000	750,000
Summer School	1,896,222	1,982,536	1,982,536	1,281,148
Outdoor Education	429,884	496,905	496,905	574,560
Student Activities Fee	702,841	795,000	795,000	690,000
Hospital Teaching	241,297	240,127	240,127	0
Miscellaneous	1,242,202	900,000	900,000	160,000
Programs financed through Private Grants	8,991,083	9,422,091	9,412,436	9,448,354
Total from Other Sources	14,263,881	15,011,659	15,002,004	13,174,062
Fund Balance	44,200,000	10,300,000	10,300,000	17,000,000
Total Current Fund	2,049,797,984	2,048,067,365	2,048,067,365	2,030,252,871
ENTERPRISE & SPECIAL FUNDS				
School Food Service Fund:				
State	1,004,518	1,067,287	1,017,718	1,024,608
National School Lunch, Special Milk and Free Lunch Programs	20,354,898	18,746,883	19,519,206	21,424,368
Child Care Food Program	1,085,248	700,000	900,000	900,000
Sale of Meals and other	21,118,221	26,526,084	25,603,330	23,548,069
Total School Food Service Fund	43,562,885	47,040,254	47,040,254	46,897,045

**TABLE 2
BUDGET REVENUE BY SOURCE**

SOURCE	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 CURRENT	FY 2012 ESTIMATED
Real Estate Management Fund:				
Rental fees	2,667,604	3,071,095	3,071,095	3,266,430
Total Real Estate Management Fund	2,667,604	3,071,095	3,071,095	3,266,430
Field Trip Fund:				
Fees	1,543,871	2,354,716	2,354,716	2,122,819
Total Field Trip Fund	1,543,871	2,354,716	2,354,716	2,122,819
Entrepreneurial Activities Fund:				
Fees	1,849,158	2,164,100	2,164,100	2,822,448
Total Entrepreneurial Activities Fund	1,849,158	2,164,100	2,164,100	2,822,448
Total Enterprise Funds	49,623,518	54,630,165	54,630,165	55,108,742
Instructional Television Special Revenue Fund:				
Cable Television Plan	1,581,510	1,490,510	1,490,510	1,425,000
Total Instructional Special Revenue Fund	1,581,510	1,490,510	1,490,510	1,425,000
GRAND TOTAL	\$2,101,003,012	\$2,104,188,040	\$2,104,188,040	\$2,086,786,613

Tax - Supported Budget	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 CURRENT	FY 2012 ESTIMATED
Grand Total	\$2,101,003,012	\$2,104,188,040	\$2,104,188,040	\$2,086,786,613
Less:				
Grants	(132,130,223)	(128,224,619)	(145,735,240)	(79,343,580)
Enterprise Funds	(49,623,518)	(54,630,165)	(54,630,165)	(55,108,742)
Special Revenue Fund	(1,581,510)	(1,490,510)	(1,490,510)	(1,425,000)
Grand Total - Tax-Supported Budget	\$1,917,667,761	\$1,919,842,746	\$1,902,332,125	\$1,950,909,291

The Adult Education Fund was created July 1, 1991, but was discontinued effective July 1, 2006, because the program was transferred to Montgomery College and the Montgomery County Department of Recreation. The Real Estate Management Fund was created July 1, 1992. The Field Trip Fund was created effective July 1, 1993. The Entrepreneurial Activities Fund was created effective July 1, 1998. The Instructional Television Special Revenue Fund was created July 1, 2000.

**TABLE 3
REVENUE SUMMARY FOR GRANT PROGRAMS BY SOURCE OF FUNDS**

Program Name and Source of Funding	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 CURRENT	FY 2012 ESTIMATED
<u>Budgeted</u>				
FEDERAL AID: NO CHILD LEFT BEHIND (NCLB)				
Title I - A (941/949)	\$ 19,813,177	\$ 17,776,299	\$ 17,776,299	\$ 18,040,997
Title I - A (ARRA) (941/949)	5,915,321	5,906,005	5,906,005	
Subtotal	25,728,498	23,682,304	23,682,304	18,040,997
Title I - D				
Neglected and Delinquent Youth (937)	150,733	166,875	166,875	191,957
Total Title I	25,879,231	23,849,179	23,849,179	18,232,954
Title II - A				
Skillful Teaching and Leading Program (915)	521,940	604,923	604,923	604,923
Consulting Teachers (961)	3,596,158	3,524,474	3,530,698	3,448,908
Staff Development Team (960)		279,219	279,219	361,009
Subtotal	4,118,098	4,408,616	4,414,840	4,414,840
Title II - D				
Enhancing Education through Technology (918)	189,322	154,242	154,242	-
Total Title II	4,307,420	4,562,858	4,569,082	4,414,840
Title III				
Limited English Proficiency (927)	3,208,282	3,388,305	3,388,305	3,388,305
Title IV				
Safe & Drug Free Schools & Communities Act (926)	568,636	-	-	-
Title V				
Innovative Educational Programs (997)	114,821	-	-	-
Title VII				
American Indian Education (903)	21,751	23,685	29,028	29,028
SUBTOTAL	34,100,141	31,824,027	31,835,594	26,065,127
OTHER FEDERAL, STATE, AND LOCAL AID				
State Fiscal Stabilization Fund (SFSF) (901) Federal (ARRA)	27,844,286	31,261,214	31,261,214	-
Head Start Child Development (932) Federal	3,374,329	3,435,318	3,433,406	3,433,406
Individuals with Disabilities Education (907/913/963/964/ 965/966/967)				
Federal	29,063,581	29,673,104	29,673,104	29,160,564
Federal (ARRA)	14,301,894	16,488,837	16,488,837	-
Subtotal	43,365,475	46,161,941	46,161,941	29,160,564
Infants and Toddlers (930) Federal	776,463	928,528	928,528	974,844

**TABLE 3
REVENUE SUMMARY FOR GRANT PROGRAMS BY SOURCE OF FUNDS**

Program Name and Source of Funding	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 CURRENT	FY 2012 ESTIMATED
Education Jobs Fund (935) Federal				4,377,655
Medical Assistance Program (939) Federal	4,519,801	3,881,982	3,881,982	4,313,912
National Institutes of Health (NIH) (908) Federal				254,733
Provision for Future Supported Projects (999) Other	8,991,083	9,422,091	9,412,436	9,448,354
Carl D. Perkins Career & Technical Ed. Improvement (951) Federal	1,056,691	1,309,518	1,309,518	1,314,985
County	379,794	249,464	249,464	247,114
Subtotal	1,436,485	1,558,982	1,558,982	1,562,099
SUBTOTAL	90,307,922	96,650,056	96,638,489	53,270,834
TOTAL	\$ 124,408,063	\$ 128,474,083	\$ 128,474,083	\$ 79,335,961

Summary of Funding Sources				
Federal	\$ 115,037,186	\$ 118,802,528	\$ 118,812,183	\$ 69,895,226
State				
County	379,794	249,464	249,464	247,114
Other	8,991,083	9,422,091	9,412,436	9,448,354
GRAND TOTAL	\$ 124,408,063	\$ 128,474,083	\$ 128,474,083	\$ 79,590,694

FOR INFORMATION ONLY			
Non-Budgeted Grants Received as of November 30, 2010 - Continuation is Dependent on Future Funding			
Homeless Children and Youth			\$ 130,000
Youth in Natural Resources - Dept. of Interior			1,153
Perkins - Career and Technology Education			32,656
IDEA - Alternative Maryland School Assessment			29,954
IDEA - Adequate Yearly Progress (AYP)			91,250
IDEA - Transition			44,564
IDEA - Early Childhood Links (EC)			75,500
IDEA - Least Restrictive Environment (LRE)			98,572
IDEA - Emotionally Disabled (ED)			62,000
Education Cluster Model (thru DHHS)			172,050
ARRA - Infants and Toddlers			1,023,843
SUBTOTAL FEDERAL FUNDING			1,761,542
Science, Technology, Engineering, and Mathematics (STEM)			104,079
Maryland Model for School Readiness (MMSR) Program			88,082
Judith Hoyer Childcare & Education (Judy Centers)			524,988
Fine Arts			33,555
SUBTOTAL STATE FUNDING			750,704
Mid-Atlantic Dairy Association			200,000
National Institute of Standards and Technology Project			14,000
National Defense Education Program			30,000
Learn and Serve America			21,869
Howard Hughes Medical Institute			545,000
SUBTOTAL OTHER			810,869
TOTAL			\$ 3,323,115

**TABLE 4
SUMMARY OF STUDENT ENROLLMENT - FY 2009 THROUGH FY 2012**

DESCRIPTION	(1) FY 2009 ACTUAL 9/30/2008	(2) FY 2010 ACTUAL 9/30/2009	(3) FY 2011 ACTUAL 10/30/2010	(4) FY 2011 BUDGET 10/30/2009	(5) FY 2012 BUDGET 10/30/2010	CHANGE COLUMN (5) LESS COLUMN (4)	
						#	%
ENROLLMENT							
PRE-KINDERGARTEN	1,878	1,973	1,965	2,025	2,085	60	3.0
HEAD START	618	618	618	618	618		
KINDERGARTEN	10,250	10,605	10,917	10,575	11,075	500	4.7
GRADES 1-5	49,892	51,399	53,281	53,006	54,802	1,796	3.4
SUBTOTAL ELEMENTARY	62,638	64,595	66,781	66,224	68,580	2,356	3.6
GRADES 6-8	30,871	30,890	30,754	30,532	31,097	565	1.9
SUBTOTAL MIDDLE	30,871	30,890	30,754	30,532	31,097	565	1.9
GRADES 9-12	44,240	44,580	44,807	44,386	44,894	508	1.1
SUBTOTAL HIGH	44,240	44,580	44,807	44,386	44,894	508	1.1
SUBTOTAL PRE-K - GRADE 12	137,749	140,065	142,342	141,142	144,571	3,429	2.4
SPECIAL EDUCATION							
PRE-KINDERGARTEN	639	825	929	1,230	1,250	20	1.6
SPECIAL CENTERS	511	514	463	462	463	1	0.2
SUBTOTAL SPECIAL EDUCATION	1,150	1,339	1,392	1,692	1,713	21	1.2
ALTERNATIVE PROGRAMS	179	219	213	225	225		
GATEWAY TO COLLEGE	198	154	117	250	200	(50)	(20.0)
GRAND TOTAL	139,276	141,777	144,064	143,309	146,709	3,400	2.4

SOURCE: Projected enrollment by the Division of Long-range Planning

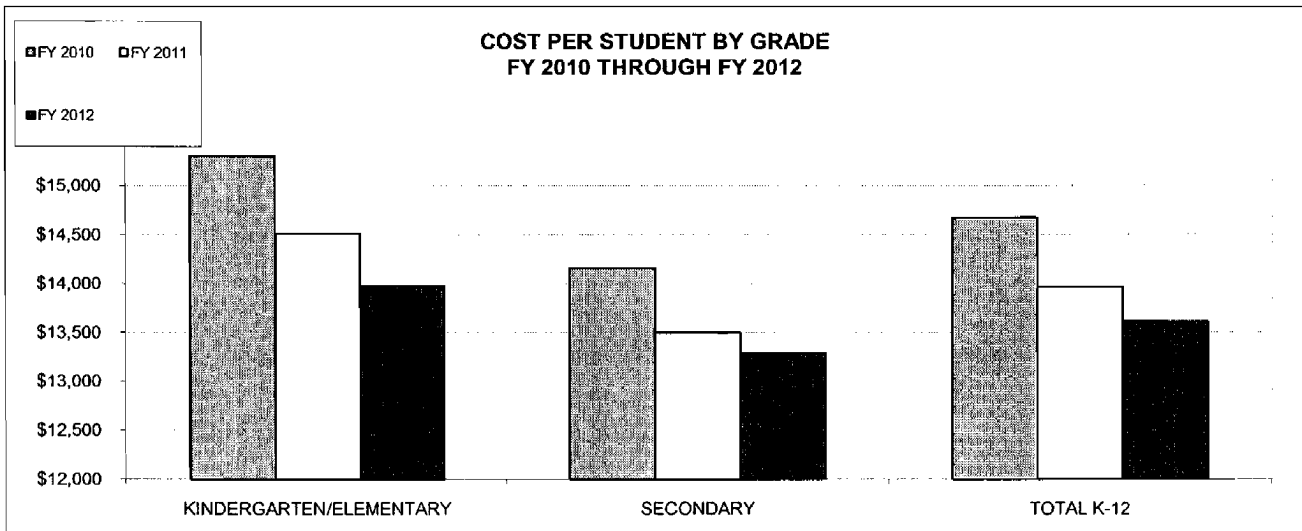
NOTE: Grade enrollments for FY 2009 - FY 2012 include special education students

**TABLE 5
ALLOCATION OF STAFFING**

POSITIONS	CURRENT FY 2011	BUDGET FY 2012	CHANGE
Executive	17.000	17.000	-
Administrative	201.200	199.000	(2.200)
Business/Operations Administrator	94.000	92.000	(2.000)
Other Professional	198.500	185.900	(12.600)
Principal/Assistant Principal	484.000	484.000	-
Teacher	10,240.670	10,271.220	30.550
Special Education Specialist	479.600	482.400	2.800
Media Specialist	197.500	197.500	-
Counselor	461.000	453.000	(8.000)
Psychologist	96.205	95.805	(0.400)
Social Worker	14.805	13.905	(0.900)
Pupil Personnel Worker	45.000	45.000	-
Instructional Aide and Assistant	2,413.430	2,332.373	(81.057)
Secretarial/Clerical/Data Support	746.950	719.250	(27.700)
IT Systems Specialist	143.000	131.000	(12.000)
Security	227.000	227.000	-
Cafeteria	556.448	556.448	-
Building Services	1,318.200	1,335.200	17.000
Facilities Management/Maintenance	343.500	343.500	-
Supply/Property Management	52.500	51.500	(1.000)
Transportation	1,694.750	1,685.650	(9.100)
Other Support Personnel	725.425	691.050	(34.375)
TOTAL	20,750.683	20,609.701	(140.982)

COST PER STUDENT BY GRADE SPAN

	KINDERGARTEN/ ELEMENTARY	SECONDARY	TOTAL K-12	AMOUNT EXCLUDED*	TOTAL BUDGET**
FY 2010 ACTUAL					
EXPENDITURES	\$951,184,631	\$1,069,883,813	\$2,021,068,444	136,637,730	2,078,967,001
STUDENTS 9/30/09 (ACTUAL)	62,162	75,565	137,727		
COST PER STUDENT	\$15,302	\$14,158	\$14,674		
FY 2011 BUDGET					
EXPENDITURES	\$934,138,474	\$1,026,467,933	\$1,960,606,407	143,581,633	\$2,104,188,040
STUDENTS 9/30/10 (CURRENT)	64,355	76,040	140,395		
COST PER STUDENT	\$14,515	\$13,499	\$13,965		
FY 2012 BUDGET					
EXPENDITURES	\$922,574,315	\$1,017,236,867	\$1,939,811,182	146,975,431	\$2,086,786,613
STUDENTS 9/30/11 (PROJECTED)	66,017	76,539	142,556		
COST PER STUDENT	\$13,975	\$13,290	\$13,607		



Notes:

* SUMMER SCHOOL, COMMUNITY SERVICES, TUITION FOR STUDENTS WITH DISABILITIES IN PRIVATE PLACEMENT, AND ENTERPRISE FUND ACCOUNTS ARE EXCLUDED FROM COST OF REGULAR DAY SCHOOL OPERATIONS

** FY 2011 FIGURES REFLECT CURRENT APPROVED BUDGET.

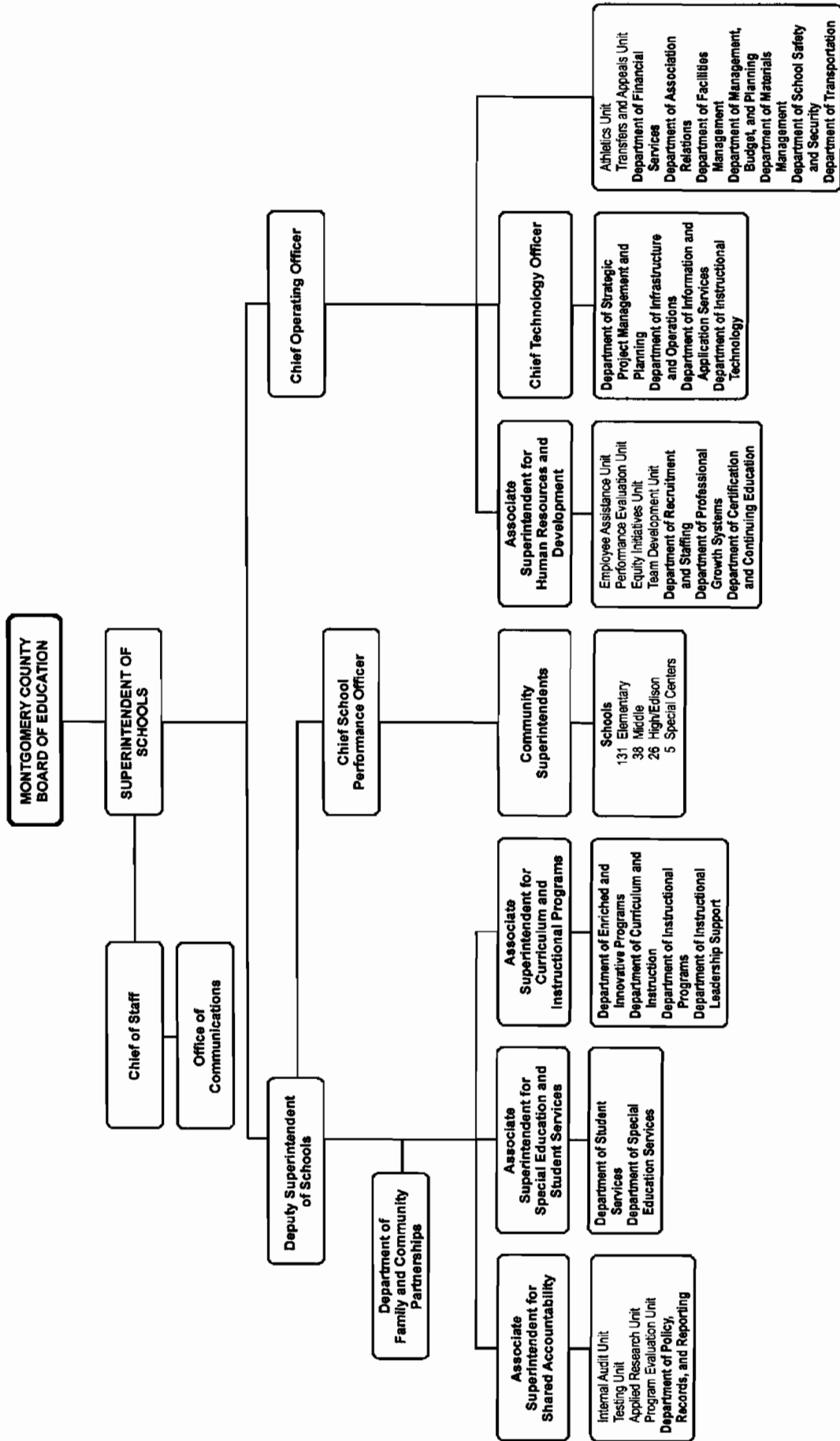
SUMMARY OF NEGOTIATIONS

During Fiscal Year (FY) 2010, the Board of Education reached agreement on four-year contracts with all four bargaining units. All contracts will expire June 30, 2014. The bargaining units are the Montgomery County Education Association (MCEA), representing certificated non-administrative employees; SEIU Local 500, representing supporting services employees; and the Montgomery County Association of Administrators and Principals (MCAAP/MCBOA), representing certificated administrators and non-certificated supervisory employees in separate units. The two MCAAP unit contracts are contained in a single document covering both units.

All contracts provide for reopening negotiations on economic provisions during each of the next three years, and up to two additional Articles of the Agreement during FY 2012. In addition, all contracts provide for reopening negotiations if the County Government provides higher compensation or other economic benefits for any of its employee organizations during the term of the Agreements, unless the Board matches such increases for school system employees.

All three contracts were reopened for negotiations during FY 2011 on economic and benefit provisions for FY 2012. The bargaining groups continued to participate in joint negotiations regarding salaries, benefits, and economic provisions for the term of the Agreements. All three negotiations were concluded with agreement that there would be no salary increase, no step increment adjustments, and no modification of the District insurance contribution formula for FY 2012. All parties did commit to do further work to identify possible health benefit cost containment options.

MONTGOMERY COUNTY PUBLIC SCHOOLS FY 2012 ORGANIZATION

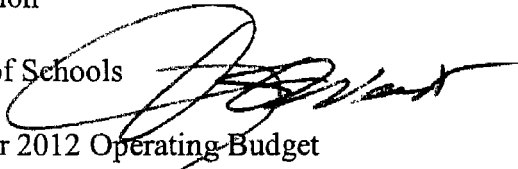


Office of the Superintendent of Schools
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

June 16, 2011

MEMORANDUM

To: Members of the Board of Education

From: Jerry D. Weast, Superintendent of Schools 

Subject: Final Adoption of the Fiscal Year 2012 Operating Budget

Executive Summary

On May 26, 2011, the County Council approved the Montgomery County Public Schools (MCPS) Operating Budget appropriation for Fiscal Year (FY) 2012. The Council approved a total of \$2,086,786,613. This is a decrease of \$17,401,427 (0.8 percent) from the current FY 2011 Operating Budget of \$2,104,188,040. The total tax-supported budget (excluding grants and enterprise funds) approved for FY 2012 is \$1,950,909,291, an increase of \$31,066,545 (1.6 percent) from the current FY 2011 Operating Budget of \$1,919,842,746 and the increase is solely the result of increased state aid. The amount approved by Council is \$127.1 million less than required by the state Maintenance of Effort (MOE) law. As required by state law, the County Council approved the appropriation by state categories. On May 23, 2011, the Board of Education tentatively approved the budget according to the category totals approved by the County Council on May 26, 2011.

Background

On February 14, 2011, the Board of Education adopted its FY 2012 Operating Budget totaling \$2,205,722,618. The Board's request assumed a local contribution of \$1,497,190,404, the minimum permitted by MOE state law. The County Council decreased the Board of Education's requested budget by \$118,936,005 (5.4 percent) to \$2,086,786,613. Attachment A summarizes the final actions of the Council by state category based on the Board's tentative action to approve the operating budget. Attachment B shows the changes in the operating budget from FY 2011 to FY 2012. Schedule A (Attachment C) details the changes to the FY 2012 Operating Budget within budget categories.

On March 15, 2011, the county executive recommended to the County Council a total budget of \$2,123,491,884 for MCPS, including grants and enterprise funds, which was \$82.2 million (3.7 percent) less than the Board of Education's request. The county executive recommended a tax-

supported budget for MCPS of \$1,987,614,562, excluding grants and enterprise funds, which was \$82.1 million (4.0 percent) less than the Board of Education's request. This included the same amount of local contribution (\$1,415,085,344) as MCPS received in FY 2011. As approved by the County Council, the FY 2012 Operating Budget includes a local contribution of \$1,370,101,480, a decrease of \$44,983,864 (3.2 percent) below the FY 2011 local contribution. In addition, the approved appropriation includes an estimated FY 2011 ending fund balance of \$17.0 million as a result of the hiring freeze and comprehensive expenditure restrictions implemented on October 12, 2010. The FY 2011 savings also include \$4.4 million in federal grants through the Education Jobs Fund that can be expended in FY 2012.

Budget Development Process

On December 15, 2010, I recommended an operating budget for Montgomery County Public Schools at the minimum amount permitted by the state MOE law. That recommendation resulted from an extensive participatory process of budget development. This process continued a long tradition of extensive involvement of parents, staff, residents, and other stakeholders. From the beginning of the process, representatives of each of the employee associations (the Montgomery County Education Association, the Montgomery County Association of Administrators and Principals, and the Service Employees International Union [SEIU] Local 500) and leaders of the Montgomery County Council of Parent Teacher Associations (MCCPTA) participated in all of the budget development meetings. They spent hundreds of hours reviewing every proposal and alternative. I am profoundly grateful for their dedication and the unflagging cooperation they showed throughout such a difficult process. Executive leadership and many other staff members also played an essential role in providing information and developing new ideas to advance the budget process. The Board of Education received valuable input from parents and other county residents at two innovative community roundtables in October 2010. There, they heard first-hand about budget priorities and concerns. This and other input was fully reflected in the recommendations I made in December.

Following the presentation of my recommended operating budget, the Board of Education received extensive testimony from Parent Teacher Association representatives and many other stakeholders at two public hearings in January 2011. Based on this input, Board members asked many questions of staff during the hearings and at a budget work session. The questions and written answers were made available to the public and elicited more valuable input.

Budget Reductions

On February 14, 2011, the Board of Education adopted a budget at the minimum MOE level as required by state law. On March 2, 2011, because it was recognized that the fiscal situation might not permit county funding at the required level, I issued a list of potential budget reductions that totaled \$45,139,860 and included a reduction of 608.3 full-time equivalent positions. This was not a list of specific recommendations, but rather an indication of what alternatives might be needed if significant cuts became necessary. These potential reductions

were reflected in preliminary staffing allocations distributed to schools in March 2011 in order for planning for the 2011–2012 school year to begin in a timely way. It is not possible to delay until after final Council funding is known and final decisions are made by the Board of Education in June to operationalize potential staffing changes.

On May 19, 2011, the Council indicated its intent to decrease the county contribution by a total of \$127,088,924 from the Board's request for a total reduction of \$118,936,005. The specific changes identified by the Council were as follows:

	<u>Reduction Amount</u>
Salary steps and longevities	\$28,000,000
Program reductions	27,900,000
Contribution to Retiree Health Benefit Trust Fund	47,000,000
Employee benefit costs	18,700,000
Retirement administration fee	(2,789,669)
Additional state aid	6,578,593
Additional Fund Balance	<u>1,700,000</u>
Total	<u>\$127,088,924</u>

On May 23, 2011, the Board of Education tentatively approved the following changes in its request:

	<u>Positions</u>	<u>Reduction Amount</u>
Salary steps and longevities		\$28,000,000
Central services reductions	33.6	4,835,784
Other program reductions	266.5	19,115,118
Contribution to Retiree Health Benefit Trust Fund		47,660,833
Employee benefit costs		21,988,265
Retirement administration fee		(2,789,669)
Instructional television special revenue fund	<u>0.5</u>	<u>125,674</u>
Total	<u>300.6</u>	<u>\$118,936,005</u>

The total number of positions in the FY 2012 Operating Budget will be reduced by 141.0 positions from the number of positions in the current FY 2011 budget. The number of positions added to reflect enrollment growth of 3,400 students and other changes (164.8) is offset by a decrease of 300.6 positions through reductions made by the County Council and 5.2 positions resulting from technical adjustments. Attachment D describes the expected impact of program reductions.

In addition to program reductions identified above, recommendations for the approved budget includes the following other changes:

Salary steps and longevities: (\$28,000,000)—The FY 2012 Operating Budget Request included funds for salary steps and longevity increases for all MCPS employees pending completion of negotiated agreements with employee unions. Employees did not receive scheduled steps and longevity increases in FY 2011. As approved by the County Council, the budget does not include any funding for salary steps and longevity increases at a savings of \$28.0 million. Tentative negotiated agreements do not provide for steps and longevities.

Retiree Health Benefit Trust Fund: (\$47,660,833)—The Board of Education's Operating Budget Request included a contribution of \$47.7 million for retiree health pre-funding through the Retiree Health Benefit Trust Fund. This contribution is consistent with the eight-year funding phase-in plan adopted by the County Council. FY 2012 is the fifth year of the plan, although the Council withheld any funding to implement the plan for the past two fiscal years. The Council's action to approve the budget includes a reduction of \$27.6 million in the projected contribution and a transfer of the remaining \$20 million to a non-departmental account in the County budget pending approval of a joint county trust fund including a component on behalf of Montgomery County Public Schools. The Council has not yet taken final action on this proposed legislation. MCPS opposes the legislation as an unwarranted change in the established county policy that authorizes establishment of trust funds in the agency responsible for future health payments to retirees.

Retirement: (\$6,405,000)—On May 23, 2011, the Board of Education approved recommended changes in the MCPS Employees' Pension Plan to parallel the changes made by the General Assembly that affected MCPS employees eligible for participation in the state pension plan. These changes include an increase in the employee contribution from five to seven percent of salary, a limitation in future cost-of-living increases, and further plan changes for employees hired after July 1, 2011, including vesting at 10 years instead of 5 years, a change in the benefit formula from 1.8 percent to 1.5 percent of final average salary, and changes in the eligibility for full retirement and early retirement. These changes are estimated to save \$6.4 million in the required employer contribution for FY 2012.

State retirement administrative fee: \$2,789,669—State legislation in 2011 establishes a new retirement administrative fee charged to agencies participating in the state pension plan, including local school boards. The fee for FY 2012 is \$162.77 per member. The fee is subject to change in future years based on actual administrative costs. The State Retirement Agency will bill agencies quarterly. For FY 2012, this fee adds \$2.8 million to the budget.

Employee Benefit Plan: (\$14,534,167)—Reductions in the cost of the Employee Benefit Plan, comprising employee health and life insurance plans for active and retired employees, total \$14.5 million. Savings result from a combination of participant usage patterns, health care prices, and participant plan selection. Employee health awareness, savings resulting from combined bidding

of administrative services, and incentives designed to encourage employees to select more cost-effective health care options have contributed to significant savings. The dependent eligibility audit also had a positive effect on plan experience. This enables MCPS to moderate health care costs without shifting increased costs to plan participants.

Tuition Reimbursement: (\$1,049,098)—Tentative action by the Board of Education on May 23, 2011, included a commitment to reduce employee tuition reimbursement. Reductions in actual expenditures during FY 2011 indicate that the reduction will have only a limited impact on the ability of eligible employees to benefit from tuition reimbursement.

The County Council is authorized by the State Education Article (Section 5-101) to approve the MCPS Operating Budget by category of expenditure as defined in the law. The Board of Education may reallocate the resources within each of the categories, but the Board cannot transfer any allocation between categories without approval by the County Council.

Federal Aid

Preliminary estimates of federal aid for FY 2012 did not become available from the Maryland State Department of Education (MSDE) until after the County Council completed work on the FY 2012 operating budget because the United States Congress did not complete final action on the FY 2011 federal budget until April 2011, nearly halfway into the federal fiscal year. FY 2011 federal grants will be available to local school districts in FY 2012.

The FY 2012 budget includes an estimated reduction of federal aid by \$66,427,578 to \$70,140,226. The reduction results from the termination of the *American Recovery and Reinvestment Act of 2009* (ARRA) and federal grant funds for the Education Jobs Fund (EJF) at the end of FY 2011. The FY 2011 budget includes \$53.7 million of ARRA grants and \$17.5 million distributed by the state in EJF grant funds that replaced mandated state aid for FY 2011. The FY 2012 budget includes \$4.4 million in EJF funds that may be spent by local school districts in FY 2012. Fortunately, the FY 2012 state budget substitutes state revenue for the portion of ARRA grants that has supported mandated state aid and state retirement contributions during FY 2010 and FY 2011. This action maintains current state aid formulas for FY 2012 despite the “funding cliff” feared at the termination of ARRA funding.

State Aid

State aid for MCPS is expected to increase by \$88,724,890 to \$559,837,103. A total of \$39.8 million of this increase results from the operation of state aid formulas, including an enrollment increase of 2,262 students, and reduced property and income tax wealth compared to other counties in Maryland. The remaining \$48.9 million of the increase results from the substitution of state funds for federal grants through ARRA and the Education Jobs Fund that terminate after FY 2011.

Adoption of the FY 2012 state budget by the Maryland General Assembly included maintenance of current state aid formulas. Final legislative action increased the per-pupil amount for the Foundation program from \$6,599 as proposed in the Governor's budget to \$6,694, the current level. This provides MCPS with \$6.6 million more in state aid than expected when the Board's request was submitted to the County Executive and County Council.

As a result of final state budget action, after netting out the substitution of state funding for federal grants in the maintenance of state aid formulas, MCPS expects to receive \$39.8 million in added state aid, including \$26.2 million in Foundation aid, \$6.0 million for aid to limited English proficient students, \$5.9 million for Compensatory aid, \$0.9 million for transportation, and \$0.8 million for special education formula aid. Only the increased Foundation aid of \$26.2 million is subject to the penalty for Montgomery County not meeting its Maintenance of Effort obligation. The County Council substituted this \$39.8 million of increased state aid for local tax contribution and then made \$5.2 million of additional reductions in local support.

State action also included a variety of changes in state health insurance and retirement plans, including the state retirement system for teachers in which Montgomery County participates. The Board of Education approved parallel changes in local retirement plans on May 23, 2011. The legislature also added an administrative fee imposed on plan participants, including MCPS, of \$162.77 per retirement system member. For FY 2012, this fee will total \$2,789,669. Council action added this amount to the FY 2012 budget.

Maintenance of Effort

On March 31, 2011, Montgomery County applied for a waiver of the FY 2012 MOE requirement to allow a local contribution of \$1,415,085,344. The Board of Education adopted a resolution on March 28, 2011, to support the county's application for a waiver. On April 15, 2011, the county withdrew its application. On May 26, 2011, the County Council adopted a budget for MCPS with only \$1,370,101,480 of local tax contribution. This amount is \$45.0 million less than FY 2011 and \$127.1 million less than required by MOE. The local contribution of \$1,370,101,480 puts Montgomery County in violation of the state MOE requirement. The Maryland State Department of Education has notified counties of potential penalties for not meeting the MOE requirement, including \$26,235,817 for MCPS. As a result of legislation adopted during the 2011 session, the penalty will not take effect until FY 2013. This change means that MCPS must begin the FY 2013 budget development process by closing a gap of \$26.2 million.

Fund Balance

In addition to other sources of revenue, the County Council approved \$17.0 million in projected fund balance at the end of FY 2011 as a source for revenue for FY 2012. On October 12, 2010, the superintendent of schools imposed a hiring freeze and comprehensive expenditure restrictions throughout MCPS. This action preceded any request from the county to generate savings during FY 2011. On December 8, 2010, the County Council requested savings of \$19.2 million from MCPS as part of the county savings program. MCPS has exceeded that target and identified \$21.1 million in savings, including \$17.0 million of expenditure savings and the \$4.1 million in net revenue savings, primarily from EJP federal grants that can be used in FY 2012.

Office of the Chief Technology Officer

The Office of the Chief Technology Officer (OCTO) will reconstitute a 1.0 supervisor position from the Department of Infrastructure and Architecture into a 1.0 supervisor position as a direct report to the chief technology officer. This will be a budget neutral change.

The work to deliver effective and efficient LAN/WAN analysis will be absorbed within the Department of Infrastructure and Architecture. This new position will further the work of the office in the effective integration of technology in instructional environments and across the school system. The supervisor also will lead professional/instructional staff in designing and implementing multimodal, job-embedded professional development that meets the needs of all stakeholders.

Office of Curriculum and Instructional Programs

As a result of program reductions in FY 2012 and an administrative retirement in FY 2011, two teams in the Department of Curriculum and Instruction in the Office of Curriculum and Instructional Programs have been reorganized, effective July 1, 2011. The position of coordinator, Career and Postsecondary Partnerships (CPP), and a 1.0 administrative secretary position were eliminated in the FY 2012 budget and the staff member serving as supervisor, Education, Entrepreneurship, Finance, and Information Technology (EEFIT), retired effective December 30, 2010.

The duties and staff of both the coordinator and supervisor positions have been merged under the leadership of a renamed position—supervisor, Career and College Partnerships (CCP). The newly formed team will support Carl D. Perkins grant management, countywide curriculum development and instructional program planning in selected career program pathways, program monitoring and evaluation, and college/university partnerships.

Summary of Recommendations

Schedule A (Attachment C) details the changes to the FY 2012 Operating Budget within budget categories. The County Council's reduction or addition is shown in the left-hand column. Any

changes made by the Board of Education will be reflected in the final Schedule A that will be distributed to principals, directors, and other program managers after the Board takes final action. Following Attachment C is a description of the impact of these reductions (Attachment D).

This has been one of the most difficult budget years in the history of MCPS. The fiscal effects of the "Great Recession" have increased each year to a point that may threaten the future quality of the school system. I am confident that the Board of Education will maintain its focus on the core academic priorities that have guided the budget development process. This commitment and the support of the entire community will continue to guide the system. Fiscal challenges will continue, but the focus on strategic goals of student achievement will guide the direction of the operating budget.

Recommended Resolution

WHEREAS, The Board of Education adopted the Fiscal Year 2012 Operating Budget of \$2,205,722,618 at the minimum maintenance of local effort requirement of Section 5-202 of the *Education Article, Annotated Code of Maryland* on February 16, 2011; and

WHEREAS, The county executive recommended \$2,123,491,884 for Montgomery County Public Schools, \$82.2 million less than the Board of Education's Budget Request on March 15, 2011; and

WHEREAS, The County Council approved a total of \$2,086,786,613 (including grants and enterprise funds), a decrease of \$118,936,005 from the Board of Education's request, on May 26, 2011; and

WHEREAS, The County Council appropriated a total of \$1,950,909,291 (excluding grants and enterprise funds), a decrease of \$118,810,331 from the Board of Education's request; and

WHEREAS, The Maryland State Department of Education requires each local school system to submit an annual special education staffing plan; and

WHEREAS, The Special Education Staffing Committee, composed of parents, teachers, principals, special education staff, and special education advocates, held meetings in June of 2010 and recommendations were submitted to the Office of Special Education and Student Services; and

WHEREAS, The Fiscal Year 2012 Operating Budget includes all of the staffing plan elements required by the Maryland State Department of Education; and

WHEREAS, The Board of Education took tentative action to approve the Fiscal Year 2012 Operating Budget on May 23, 2011, according to the budget totals appropriated by the County Council; and

WHEREAS, The recommendations for final action by the Board of Education are consistent with the tentative action taken by the Board of Education on May 23, 2011; and

WHEREAS, The County Council made reductions to the Board of Education's Fiscal Year 2012 Operating Budget Request of March 1, 2011, of \$118,936,005, from the various budget categories, as shown on the following schedule, consisting of a decrease of \$118,810,331, excluding grants and enterprise funds; and a reduction of \$125,674 in enterprise and special revenue funds, in appropriating \$2,086,786,613 for the Board of Education's FY 2012 Operating Budget:

I. Current Fund	BOE Request March 2011	Council (Reduction) Addition	Council Approved Budget
1 Administration	39,496,294	(1,130,092)	38,366,202
2 Mid-level Administration	139,404,916	(3,159,538)	136,245,378
3 Instructional Salaries	847,046,612	(26,975,712)	820,070,900
4 Textbooks and Instructional Supplies	25,284,894	(336,074)	24,948,820
5 Other Instructional Costs	14,120,980	(265,766)	13,855,214
6 Special Education	280,336,383	(7,904,835)	272,431,548
7 Student Personnel Services	11,351,034	(309,706)	11,041,328
8 Health Services	54,670		54,670
9 Student Transportation	93,644,620	(447,493)	93,197,127
10 Operation of Plant and Equipment	116,587,792	(930,702)	115,657,090
11 Maintenance of Plant	33,666,617	(1,270,220)	32,396,397
12 Fixed Charges	547,859,895	(76,080,193)	471,779,702
14 Community Services	208,495		208,495
Subtotal, including specific grants	2,149,063,202	(118,810,331)	2,030,252,871
Less specific grants	79,343,580		79,343,580
Subtotal, spending affordability	2,069,719,622	(118,810,331)	1,950,909,291
 II. Enterprise Funds			
37 Instructional Television Fund	1,550,674	(125,674)	1,425,000

Members of the Board of Education 10 June 16, 2011

51 Real Estate Management Fund	3,266,430		3,266,430
61 Food and Nutrition Services Fund	47,025,335	(128,290)	46,897,045
71 Field Trip Fund	2,122,819		2,122,819
81 Entrepreneurial Fund	2,694,158	128,290	2,822,448
<hr/> Subtotal, Enterprise Funds	<hr/> 56,659,416	<hr/> (125,674)	<hr/> 56,533,742
 Total Budget for MCPS	 <u>2,205,722,618</u>	 <u>(118,936,005)</u>	 <u>2,086,786,613</u>

now therefore be it

Resolved, That based on an appropriation of \$2,086,786,613, that includes an appropriation of \$56,533,742 for enterprise and special revenue funds and \$79,343,580 for restricted grants, approved by the County Council on May 26, 2011, the Board of Education adopt its Fiscal Year 2012 Operating Budget reflecting the changes shown in Schedule A; and be it further

Resolved, That the Board of Education approve the 2011 Special Education Staffing Plan as included in the Fiscal Year 2012 Recommended Operating Budget; and be it further

Resolved, That the Special Education Staffing Plan be submitted to the Maryland State Department of Education; and be it further

Resolved, That a copy of this action be transmitted to the county executive and County Council.

JDW:LAB:MCS:jp

Attachments

FY 2012 APPROVED BUDGET BY STATE CATEGORY

CATEGORY	BOARD'S REQUEST	COUNCIL APPROVED	ADDITION (REDUCTION)	CHANGE
INSTRUCTION				
2 Mid-level Administration	\$ 139,404,916	\$ 136,245,378	(3,159,538)	-2.27%
3 Instructional Salaries	847,046,612	820,070,900	(26,975,712)	-3.18%
4 Textbooks and Instructional Supplies	25,284,894	24,948,820	(336,074)	-1.33%
5 Other Instructional Costs	14,120,980	13,855,214	(265,766)	-1.88%
6 Special Education	280,336,383	272,431,548	(7,904,835)	-2.82%
Subtotal	1,306,193,785	1,267,551,860	(38,641,925)	-2.96%
SCHOOL AND STUDENT SERVICES				
7 Student Personnel Services	11,351,034	11,041,328	(309,706)	-2.73%
8 Health Services	54,670	54,670	0	0.00%
9 Student Transportation	93,644,620	93,197,127	(447,493)	-0.48%
10 Operation of Plant and Equipment	116,587,792	115,657,090	(930,702)	-0.80%
11 Maintenance of Plant	33,666,617	32,396,397	(1,270,220)	-3.77%
Subtotal	255,304,733	252,346,612	(2,958,121)	-1.16%
OTHER				
1 Administration	39,496,294	38,366,202	(1,130,092)	-2.86%
12 Fixed Charges	547,859,895	471,779,702	(76,080,193)	-13.89%
14 Community Services	208,495	208,495	0	0.00%
Subtotal	587,564,684	510,354,399	(77,210,285)	-13.14%
Total Current Fund	2,149,063,202	2,030,252,871	(118,810,331)	-5.53%
ENTERPRISE FUNDS				
37 Instructional Television Fund	1,550,674	1,425,000	(125,674)	-8.10%
51 Real Estate Management Fund	3,266,430	3,266,430	0	0.00%
61 Food Services Fund	47,025,335	46,897,045	(128,290)	-0.27%
71 Field Trip Fund	2,122,819	2,122,819	0	0.00%
81 Entrepreneurial Activities Fund	2,694,158	2,822,448	128,290	4.76%
Total Enterprise Funds	56,659,416	56,533,742	(125,674)	-0.22%
Total	\$ 2,205,722,618	\$ 2,086,786,613	\$ (118,936,005)	-5.39%

FY 2012 OPERATING BUDGET SUMMARY
(\$ in millions)

	Total Budget	SAG Budget
FY 2011 (Current) Budget	\$2,104.2	\$1,919.8
FY 2012 Changes:		
Growth, Inflation and Other	12.3	67.3
Benefits, OPEB	80.6	76.2
Continuing Salaries & Related Benefits	14.6	12.4
Negotiated Salary Costs	-	-
Improvement Initiatives	-	-
Reductions	(6.0)	(6.0)
Board's FY 2012 Budget Request	2,205.7	2,069.7
County Council's Additions / Reductions	(118.9)	(118.8)
County Council's FY 2012 Budget Appropriation	\$2,086.8	\$1,950.9

SCHEDULE A

SCHEDULE OF COUNTY COUNCIL ADDITIONS / REDUCTIONS TO THE FY 2012 OPERATING BUDGET
WITHIN CATEGORIES AND ADOPTED BY THE BOARD OF EDUCATION

DESCRIPTION	BUDGET CHAPTER	COUNCIL ACTION		BOARD ACTION		TOTAL	
		POS.	AMOUNT	POS.	AMOUNT	POS.	AMOUNT
CATEGORY 1 - ADMINISTRATION							
Reductions:							
Salary Steps and Longevities	Various		(343,645)				(343,645)
Central Office Reductions:							
Office of Shared Accountability	3	(2.100)	(165,620)			(2.100)	(165,620)
Office of the Chief Operating Officer	6		(38,997)				(38,997)
Office of the Chief Technology Officer	7	(4.000)	(394,319)			(4.000)	(394,319)
Office of Human Resources and Development	8	(1.500)	(80,740)			(1.500)	(80,740)
Technical Adjustments:							
K-12 Instruction/Office of School Performance	1		76,323				76,323
Office of Curriculum and Instructional Programs	4	(2.000)	(199,115)			(2.000)	(199,115)
Office of the Chief Technology Officer	7		2,221				2,221
Office of Human Resources and Development	8		13,800				13,800
Organizational Changes:							
Office of the Chief Technology Officer							
Supervisor (K) Department of Infrastructure & Operations				(1.000)	(102,101)	(1.000)	(102,101)
to Supervisor (O) Office of the Chief Technology Officer				1.000	102,101	1.000	102,101
Total		(9.600)	(1,130,092)			(9.600)	(1,130,092)
CATEGORY 2 - MID-LEVEL ADMINISTRATION							
Reductions:							
Salary Steps and Longevities	Various		(1,590,930)				(1,590,930)
Central Office Reductions:							
Office of the Deputy Superintendent of Schools	2	(1.000)	(65,427)			(1.000)	(65,427)
Office of Curriculum and Instructional Programs	4	(8.000)	(627,099)			(8.000)	(627,099)
School-based Reductions:							
K-12 Instruction/Office of School Performance	1						
Assitant School Administrators		(2.000)	(203,958)			(2.000)	(203,958)
High School Secretaries		(13.750)	(393,979)			(13.750)	(393,979)
School Furniture/Equipment/Other			(191,000)				(191,000)

SCHEDULE A

**SCHEDULE OF COUNTY COUNCIL ADDITIONS / REDUCTIONS TO THE FY 2012 OPERATING BUDGET
WITHIN CATEGORIES AND ADOPTED BY THE BOARD OF EDUCATION**

DESCRIPTION	BUDGET CHAPTER	COUNCIL ACTION		BOARD ACTION		TOTAL	
		POS.	AMOUNT	POS.	AMOUNT	POS.	AMOUNT
Technical Adjustments:							
K-12 Instruction/Office of School Performance	1	(1.500)	(167,199)			(1.500)	(167,199)
Office of Curriculum and Instructional Programs	4	5.000	93,373			5.000	93,373
Office of Special Education and Student Services	5		(40,763)				(40,763)
Office of Human Resources and Development	8		27,444				27,444
Total		(21.250)	(3,159,538)			(21.250)	(3,159,538)
CATEGORY 3 - INSTRUCTIONAL SALARIES							
Reductions:							
Salary Steps and Longevities	Various		(16,752,796)				(16,752,796)
Central Office Reductions:							
Office of Curriculum and Instructional Programs	4		(133,632)				(133,632)
Office of the Chief Technology Officer	7	(2.000)	(282,107)			(2.000)	(282,107)
Office of Human Resources and Development	8	(0.800)	(215,421)			(0.800)	(215,421)
Office of the Communications	9	(1.000)	(67,427)			(1.000)	(67,427)
School-based Reductions:							
K-12 Instruction/Office of School Performance	1						
Academic Intervention Teachers		(9.000)	(449,955)			(9.000)	(449,955)
Reading Recovery Teachers		(8.000)	(396,279)			(8.000)	(396,279)
English Composition Assistants		(9.750)	(314,340)			(9.750)	(314,340)
Athletics			(694,444)				(694,444)
Instructional Technology Systems Specialists		(9.000)	(478,152)			(9.000)	(478,152)
Staff Development Teachers		(48.700)	(2,767,134)			(48.700)	(2,767,134)
Counselors		(7.000)	(407,383)			(7.000)	(407,383)
Paraeducators		(20.000)	(523,520)			(20.000)	(523,520)
Lunch Hour Aides - Elementary Schools		(6.000)	(130,584)			(6.000)	(130,584)
Parent Community Coordinators		(2.200)	(88,172)			(2.200)	(88,172)
Media Assistants		(34.375)	(982,334)			(34.375)	(982,334)
Instrumental Music Teachers		(2.000)	(100,287)			(2.000)	(100,287)
Vocational Education/Career Prep Teachers		(5.000)	(249,975)			(5.000)	(249,975)
Instructional Data Assistants		(21.100)	(691,278)			(21.100)	(691,278)
Lunch Hour Aides - Middle Schools		(18.625)	(405,352)			(18.625)	(405,352)
School Furniture/Equipment/Other			(315,364)				(315,364)
Teacher Assistants - High Schools		(3.575)	(81,790)			(3.575)	(81,790)
Reserve Positions		(20.000)	(999,900)			(20.000)	(999,900)
Office of Curriculum and Instructional Programs	4						
COL Teachers		(2.100)	(110,355)			(2.100)	(110,355)

SCHEDULE A

**SCHEDULE OF COUNTY COUNCIL ADDITIONS / REDUCTIONS TO THE FY 2012 OPERATING BUDGET
WITHIN CATEGORIES AND ADOPTED BY THE BOARD OF EDUCATION**

DESCRIPTION	BUDGET CHAPTER	COUNCIL ACTION		BOARD ACTION		TOTAL	
		POS.	AMOUNT	POS.	AMOUNT	POS.	AMOUNT
Technical Adjustments:							
K-12 Instruction/Office of School Performance	1	9.760	810,941			9.760	810,941
Office of Curriculum and Instructional Programs	4	(3.500)	(154,391)			(3.500)	(154,391)
Office of Special Education and Student Services	5		40,763				40,763
Office of Human Resources and Development	8		(35,044)				(35,044)
Total		(223.965)	(26,975,712)			(223.965)	(26,975,712)
CATEGORY 4 - TEXTBOOKS AND INSTRUCTIONAL SUPPLIES							
Reductions:							
Central Office Reductions:							
Office of Curriculum and Instructional Programs	4		(94,015)				(94,015)
School-based Reductions:							
K-12 Instruction/Office of School Performance	1		(75,000)				(75,000)
School Furniture/Equipment/Other			(578,066)				(578,066)
Inflation - Textbooks, Instructional Materials, Media Center							
Technical Adjustments:							
K-12 Instruction/Office of School Performance	1		127,282				127,282
Office of Curriculum and Instructional Programs	4		285,946				285,946
Office of Human Resources and Development	8		(2,221)				(2,221)
Total			(336,074)				(336,074)
CATEGORY 5 - OTHER INSTRUCTIONAL COSTS							
Reductions:							
Central Office Reductions:							
Office of Special Education and Student Services	5		(5,000)				(5,000)
Office of the Chief Technology Officer	7		(142,159)				(142,159)
School-based Reductions:							
K-12 Instruction/Office of School Performance	1		(70,000)				(70,000)
School Furniture/Equipment/Other							
Technical Adjustments:							
K-12 Instruction/Office of School Performance	1		(16,594)				(16,594)
Office of Curriculum and Instructional Programs	4		(25,813)				(25,813)
Office of Human Resources and Development	8		(6,200)				(6,200)
Total			(265,766)				(265,766)

SCHEDULE A

**SCHEDULE OF COUNTY COUNCIL ADDITIONS / REDUCTIONS TO THE FY 2012 OPERATING BUDGET
WITHIN CATEGORIES AND ADOPTED BY THE BOARD OF EDUCATION**

DESCRIPTION	BUDGET CHAPTER	COUNCIL ACTION		BOARD ACTION		TOTAL	
		POS.	AMOUNT	POS.	AMOUNT	POS.	AMOUNT
CATEGORY 6 - SPECIAL EDUCATION							
Reductions:							
Salary Steps and Longevities	Various		(4,097,533)				(4,097,533)
Central Office Reductions:							
Office of Special Education and Student Services	5	(7.200)	(589,281)			(7.200)	(589,281)
School-based Reductions:							
Office of Special Education and Student Services	5						
Special Education Staffing Ratios		(2.900)	(142,660)			(2.900)	(142,660)
Secondary Learning Centers		(17.875)	(767,064)			(17.875)	(767,064)
Staff Development Teachers		(2.500)	(142,050)			(2.500)	(142,050)
Inflation - Textbooks, Instructional Materials, Media Center			(32,974)				(32,974)
Tuition for Students in Nonpublic Placements			(2,133,482)				(2,133,482)
Technical Adjustments:							
Office of Special Education and Student Services	5	(13.000)	209			(13.000)	209
Total		(43.475)	(7,904,835)			(43.475)	(7,904,835)
CATEGORY 7 - STUDENT PERSONNEL SERVICES							
Reductions:							
Salary Steps and Longevities	Various		(35,659)				(35,659)
Central Office Reductions:							
Office of Special Education and Student Services	5	(2.000)	(168,975)			(2.000)	(168,975)
School-based Reductions:							
Office of Special Education and Student Services	5	(1.000)	(105,072)			(1.000)	(105,072)
Total		(3.000)	(309,706)			(3.000)	(309,706)
CATEGORY 9 - STUDENT TRANSPORTATION							
Reductions:							
Salary Steps and Longevities	Various		(626,187)				(626,187)
Technical Adjustments:							
2 Instruction/Office of School Performance	1		178,694				178,694
Total			(447,493)				(447,493)

SCHEDULE A

SCHEDULE OF COUNTY COUNCIL ADDITIONS / REDUCTIONS TO THE FY 2012 OPERATING BUDGET
WITHIN CATEGORIES AND ADOPTED BY THE BOARD OF EDUCATION

DESCRIPTION	BUDGET CHAPTER	COUNCIL ACTION		BOARD ACTION		TOTAL	
		POS.	AMOUNT	POS.	AMOUNT	POS.	AMOUNT
CATEGORY 10 - OPERATION OF PLANT AND EQUIPMENT							
Reductions:							
Salary Steps and Longevities	Various		(787,327)				(787,327)
Central Office Reductions:							
Office of the Chief Operating Officer	6		(97,487)				(97,487)
School-based Reductions:							
Office of the Chief Operating Officer	6						
Building Services Supplies			(45,888)				(45,888)
Total			(930,702)				(930,702)
CATEGORY 11 - MAINTENANCE OF PLANT							
Reductions:							
Salary Steps and Longevities	Various		(593,024)				(593,024)
Central Office Reductions:							
Office of the Chief Operating Officer	6	(4,000)	(427,930)			(4,000)	(427,930)
Office of the Chief Technology Officer	7		(249,266)				(249,266)
Total		(4,000)	(1,270,220)			(4,000)	(1,270,220)
CATEGORY 12 - FIXED CHARGES							
Reductions:							
Employee Benefits - Salary Steps and Longevities	7		(3,223,423)				(3,223,423)
Employee Benefits - Central Office Reductions	7		(990,882)				(990,882)
Employee Benefits - School-based Reductions	7		(4,047,327)				(4,047,327)
Retiree Health Benefit Trust Fund	7		(47,660,833)				(47,660,833)
Retirement	7		(6,405,000)				(6,405,000)
Retirement Administration Fee	7		2,789,669				2,789,669
Employee Benefit Plan - Active Employees	7		(14,258,167)				(14,258,167)
Employee Benefit Plan - Retirees	7		(276,000)				(276,000)
Tuition Reimbursement			(1,049,098)				(1,049,098)
Technical Adjustments:							
Employee Benefits - Title I	1		(959,132)				(959,132)
Total			(76,080,193)				(76,080,193)

SCHEDULE A

**SCHEDULE OF COUNTY COUNCIL ADDITIONS / REDUCTIONS TO THE FY 2012 OPERATING BUDGET
WITHIN CATEGORIES AND ADOPTED BY THE BOARD OF EDUCATION**

DESCRIPTION	BUDGET CHAPTER	COUNCIL ACTION		BOARD ACTION		TOTAL	
		POS.	AMOUNT	POS.	AMOUNT	POS.	AMOUNT
CATEGORY 37 - INSTRUCTIONAL TELEVISION SPECIAL FUND							
Reductions:							
Central Office Reductions:							
Office of Communications	9	(0.500)	(125,674)			(0.500)	(125,674)
Total		(0.500)	(125,674)			(0.500)	(125,674)
CATEGORY 51 - REAL ESTATE MANAGEMENT FUND							
Total							
CATEGORY 61 - FOOD SERVICES FUND							
Technical Adjustments	7		(128,290)				(128,290)
Total			(128,290)				(128,290)
CATEGORY 71 - FIELD TRIP FUND							
Total							
CATEGORY 81 - ENTREPRENEURIAL FUND							
Technical Adjustments	7		128,290				128,290
Total			128,290				128,290
GRAND TOTAL		(305.790)	(118,936,005)			(305.790)	(118,936,005)

Program Reductions and Central Office Reductions**Reserve Positions—\$1,303,870**

A reduction of 20 reserve teacher positions will reduce the flexibility needed to allocate positions to schools that have higher than projection enrollment or special needs. This in turn, will result in higher class sizes at some schools.

Media Assistants—\$1,426,349

Library media assistants work with media specialists and are assigned to schools based on enrollment. For FY 2012, there is a reduction of 34.375 positions. Allocations to schools will continue to be based on projected enrollment. However, the guidelines will be adjusted to absorb the reduction. Schools will lose up to four hours of media assistant time per day depending on the enrollment of the school. Approximately 65 media assistant positions will be reduced from eight to seven hours per day and about 48 positions will be reduced from eight to four hours per day. This reduction will limit the number of staff in the media center during certain times of the day.

Elementary Paraeducators, Parent Community Coordinators, and Lunch Hour Aides—\$1,077,784

For FY 2012, 6.0 lunch hour positions were added to the elementary school budget to address increases in enrollment. This reduction will mean not adding these six positions, and there will be no additional lunch hour aide positions allocated in FY 2012. Because there will be more students in FY 2012, the ratio of students to lunch hour aides will increase by approximately one student.

In past years, paraeducator hours have been allocated to schools where the paraeducators were participants in a university partnership. This additional allocation was used to provide paraeducators with time to participate in the partnership. For FY 2012, Montgomery County Public Schools (MCPS) will not allocate additional hours for paraeducators who participate in these partnerships. Support will be provided to the paraeducators to continue in the program, but this support will not include extra hours.

A limited number of parent community coordinator (PCC) positions (2.2 Full-time Equivalent Positions [FTEs]) are budgeted in the elementary budget. PCCs provide support to schools by serving as the liaison between the school and families. A reduction in the number of parent community coordinators will mean that there is less support to maintain connections between home and school.

Instructional Data Assistants—\$1,003,753

Currently, instructional data assistants (IDAs) are allocated .75 FTE to smaller elementary schools and .875 FTE to larger elementary schools. All middle schools

receive a .875 FTE allocation. A reduction of 21.1 FTEs will result in reducing most middle schools to .75 FTE and changing the elementary allocations based on enrollment with the largest schools receiving .875 FTE and the smallest schools receiving .5 FTE. IDA hours will be reduced between one and three hours resulting in less time being available to support principals and other staff members with data gathering, monitoring, and analysis.

Middle School Lunch Hours Aides—\$579,519

Middle schools are allocated lunch hour aide time to support supervision of students during lunch and sometimes before and after school. The allocations will be reduced to either .375 FTE or .5 FTE per school depending on size and need, resulting in a reduction of 18.625 FTE positions. This will result in less adult supervision being available during lunch.

High School Teacher Assistants—\$119,661

Currently, 3.575 FTEs are budgeted for high school teacher assistant positions that provide support to teachers and departments in high schools. Work includes copying and preparing instructional materials for classes. The reduction of these positions will mean teachers and departments in high schools have less support to complete this work.

High School Secretaries—\$572,063

High school secretarial allocations include an administrative secretary, attendance secretary, and secretary I and secretary II positions. The secretary I and secretary II positions are allocated based on projected school enrollment. For FY 2011, there are 118.75 FTE secretary I and secretary II positions budgeted for the 25 high schools. A reduction of 13.75 FTEs will require changing the guidelines for allocating positions to schools. As a result of the reduction, less secretarial support will be available to administrators and teachers in high schools.

English Composition Assistants—\$456,421

English composition assistant positions are allocated to high schools based on enrollment. English composition assistants provide support to English teachers by assisting with the grading of student work. In addition, they also support students with the writing process. The reduction of 9.75 FTEs will result in the formula changing so that high school allocations will be reduced by up to four hours per day. This would mean that the amount of support available for teachers and students will decrease.

Instrumental Music—\$130,774

Instrumental music teachers are allocated to elementary schools to provide instruction for 4th and 5th graders who participate in the instrumental music program. Instruction is

provided by the teacher to small groups of students in a “pull out” setting. A reduction of 2.0 FTEs will result in a small increase in the number of students in each group.

Academic Intervention Teachers—\$586,737

There is a reduction of 9.0 academic intervention teacher positions. Academic intervention teachers are school-based teachers who are assigned to schools to work with students who need additional support. These positions are allocated based on a concentrated poverty formula and provide targeted support for achievement of students attending schools that are significantly impacted by poverty. Functions of these positions include targeted intervention for math and/or reading achievement at the elementary, middle, and high school levels; high school assessment intervention and remediation; and acceleration and remediation to close the gap for African American and Hispanic students. The loss of these positions will reduce targeted interventions to those students who need this additional support.

Elementary and Secondary School Counselors—\$593,853

A reduction of 5.0 elementary and 2.0 secondary school counselor positions will reduce services available to students in need of counseling. A decrease in the number of school counselors will increase the ratio of students to school counselors. This will reduce the availability of emotional, social, behavioral, and academic support to students. For elementary schools, the reduction will be based on enrollment. Schools will be allocated a reduced school counselor allocation but will have the ability to absorb that reduction in another position in order to keep their school counselor position at 1.0 FTE. These decisions must be made based on school needs. For secondary schools, allocations will be made based on enrollment. Currently, our goal for secondary schools is a ratio of 250:1. The reduction in school counselor allocations will result in some schools having ratios that exceed the guidelines but will keep the systemwide average below the guideline.

Staff Development Teachers—\$3,715,300

Staff development teachers (SDTs) provide time for teachers to engage in job-embedded professional development. Building and maintaining teacher capacity is a continuous need due to new curriculum, system initiatives, and a constantly changing workforce. In addition, ever changing technology and the reduction of after-school and summer training expands the role SDTs will play in supporting teachers with instructional strategies and practices at the school level and means that their role will be even more crucial than it has been in the past.

The reduction of 51.2 staff development teacher positions will impact elementary, middle, and high schools. Middle and high schools will be allocated a .4 staff development teacher position. This is a decrease from a .8 SDT position in FY 2011. This means that SDTs will only be available during certain times during the day. They may not be available to support professional development of teachers and teams at times

during the day those teachers and teams are available. This lack of available support may erode the progress made toward improving teacher practice and increasing student learning and achievement.

For elementary schools and special schools, reductions in the SDT position will be made based on the size of the school. Schools that are allocated a reduced SDT position may take this reduction in another position based on school needs so that the full-time SDT position can be maintained.

Reading Recovery—\$516,748

The reduction of eight reading recovery teacher positions will result in fewer schools being able to offer a reading recovery or reading intervention program. Schools are allocated a .5 position to support reading programs. This support is in addition to the reading offered by classroom teachers, reading initiative teachers, and reading specialists. A reduction of 8.0 positions will mean 16 fewer schools will have the .5 position to support this reading program.

Athletics—\$750,000

The reduction of \$750,000 will come from the following:

- \$246,400 stipend reduction achieved by eliminating high school fall “2-a-day” practices. This means that coaches will be paid for practicing once a day for the preseason days.
- \$126,700 stipend reduction achieved by reducing high school junior varsity athletic stipends by approximately 20 percent. Each junior varsity sport season will be reduced by 2 to 4 games and 3 practices.
- \$45,700 savings due to reduction in junior varsity season which will result in a decrease in expenses for referees and transportation.
- \$32,200 stipend reduction achieved by eliminating high school varsity spring cheerleading.
- \$69,800 reduction achieved by reducing the high school postseason compensation pay by approximately 55 percent.
- \$17,500 stipend reduction achieved by eliminating the high school developmental girls’ golf stipend.
- \$12,900 stipend reduction achieved by reducing the high school intramural director stipend by approximately 50 percent (75 hours to 38 hours).
- \$33,600 stipend reduction achieved by eliminating high school junior varsity cheerleading.
- \$88,200 stipend reduction achieved by eliminating three practice sessions per season for all high school varsity teams/stipend positions.
- \$63,200—middle schools savings associated with eliminating one game per each of six teams at each school.
- \$3,800 savings achieved by reducing the amount of money each middle school receives for equipment and supplies by \$100 per middle school.

- \$2,100 savings achieved by reducing the middle school athletics coordinator stipend by a total of four hours per school.
- \$9,800 stipend reduction achieved by reducing the high school coed and boys' volleyball season by one game (14 games to 13 games).

Inflation—\$656,928

Montgomery County Public Schools' funds are budgeted each year to cover the purchase of textbooks, materials, media, and other resources needed to effectively implement the curriculum in schools and run offices. Textbook funds are used to purchase new textbooks when a revised curriculum is implemented, provide replacement textbooks when others are lost or damaged, and supply textbooks needed when enrollment in courses increases. Media funds are used to purchase subscriptions for online media resources, critical collection media that are identified as needed in each media center, replacement media for lost or damaged resources, and additional media resources needed to keep media centers current. Materials funds are used to purchase the materials needed to implement the curriculum. For FY 2012, \$656,928 was built into the budget to cover projected increases in the cost of these items due to inflation. If prices increase as projected, schools will be able to purchase less than had originally been planned.

Special Education Nonpublic Placement Tuition—\$2,133,482

This reduction in the budget for tuition for special education students whose Individualized Education Program requires nonpublic placement is based on the number of special education students requiring nonpublic placement and legislative action to freeze tuition reimbursement rates. Although the number of students in nonpublic placement tends to fluctuate, it is reasonable to expect the number of students served in nonpublic placement in FY 2012 to be similar to this year. If the number of students exceeds current projections or nonpublic schools identify alternate cost increases, the projected savings may not be realized and this account could face a deficit.

Other Expenses—\$680,893

Funds will be reduced by \$680,893 to include reductions in the following:

- \$75,000 for high school materials
- \$70,000 for equipment
- \$141,000 for contractual expenses
- \$365,641 for stipends, substitutes, and supporting services part time
- \$29,252 for benefits for above items

These reductions will reduce the amount of instructional materials and equipment these schools can purchase and the amount of part-time salaries and contractual services for training and school improvement planning.

Assistant School Administrators—\$250,255

There is a reduction of 2.0 assistant school administrator (ASA) positions. Assistant school administrators are 11 month, school-based administrators who provide support with student behavior in and outside of the classroom. ASAs facilitate and support the conflict management and mediation process at their schools, and provide outreach and support to parents and the community. The loss of these positions will reduce schools' ability to provide interventions and timely support to facilitate positive student behavior throughout the school building, along with reducing the capacity of the administrative team to provide instructional support. ASAs also conduct observations of teachers that are used in their evaluations. Without their availability, there will be a change in the ratio of teachers to administrators making it more difficult to monitor and supervise instruction.

Vocational Support and Career Preparation Teachers—\$325,967

The role of vocational support and career preparation teachers is to develop, implement, and evaluate individual student career objectives; develop community partnerships in order to place students in industry positions within their community; and manage instructional seminars which prepare students to master current industry standards and certifications.

The reduction of 5.0 FTEs in the vocational support and career preparation teacher positions will result in allocations being decreased based on student enrollment numbers for courses and internships. In some cases, this will mean combining courses and fewer sections of courses being available. Additionally, reductions may result in less time for teachers to effectively monitor and evaluate students at their off-site career locations.

Instructional Technology Systems Specialists—\$694,276

The reduction of nine instructional technology systems specialist (ITSS) positions will impact 16 middle schools that previously were allocated 1.0 FTE position. These schools will now share a pool of eight ITSSs who will provide support. The lack of a dedicated resource will impact school's ability to deploy technology initiatives that support classroom instruction. In addition, 1.0 FTE position will be cut from the central pool of ITSS who support elementary schools. Duties will be reassigned to the remaining ITSSs.

Secondary Learning Centers Phase Out and Change in Staffing Ratio—\$ 1,034,630

There is a reduction of 6.625 positions and \$408,750 related to the phase out of the secondary learning centers. High school special education students formerly enrolled in learning centers will continue to access services in their home schools. Students currently enrolled in a secondary learning center will complete Grade 11 and 12 in these locations. Changing the student to teacher ratio at the high school learning centers at John F. Kennedy, Walter Johnson, and Watkins Mill high schools from 9:1 to 12:1 will result in the reduction of 11.25 positions and \$625,880. This change is aligned with

efforts to include students with disabilities in general education classrooms in their comprehensive home/consortia high schools. During the past year, high schools participated in professional development to design schedules that provide a continuum of services to address the needs of students with disabilities. Also, high school general and special education teachers participated in professional development to address the instructional needs of students in the least restrictive environment. These factors will help ensure that current service levels provided to high school special education students will not be impacted.

English for Speakers of Other Languages (ESOL) Teachers—\$143,903

This reduction of 2.1 ESOL teacher positions will result in an increase in the ESOL staffing ratio in FY 2012 from 41.5:1 to 41.7:1.

Special Education Staffing Ratios and Other Position Changes—\$361,952

There is a reduction of 2.9 positions and \$271,293 related to changing budgeting staffing ratios in several programs. Increasing the ratio of students to itinerant resource teachers who provide services to students who are deaf and hard of hearing (DHOH) from 15:1 to 16:1 will result in a reduction of 1.0 position for FY 2012. While each DHOH itinerant resource teacher would have an increased caseload of one student, services to students will not be impacted and will continue to be provided as indicated on their Individualized Education Programs. There also is a reduction 1.9 transition support teachers for FY 2012. A .5 position will be reduced from the central office Transition Services Unit and 1.4 positions will be eliminated from school-based allocations. Thomas S. Wootton and Rockville high schools would lose a .5 position and Seneca Valley and Walter Johnson high schools would lose a .2 position. The school allocation changes are aligned with individual student needs at the identified schools and services to students are not likely to be impacted. However, if any school requires additional support, 4.5 transition support teachers located at the central office Transition Services Unit will be assigned to provide assistance.

A 1.0 financial specialist position and \$90,659 is eliminated at Rock Terrace School. The school has two secretarial positions that will be able to manage the administrative and fiscal responsibilities required to support the school. In addition, there is a reduction of \$67,279 associated with the elimination of a 12-month social worker position and the addition of a 10-month behavioral support teacher at Rock Terrace School. This change is not expected to impact services to students.

Central Office Reductions—\$4,961,458

Central office reductions include the elimination of 34.1 positions and other resources. This is in addition to the 12.6 positions and \$3.8 million in central office resources cut as part of the Superintendent's Fiscal Year 2012 Recommended Operating Budget. From FY 2009–2012, the total amount cut from central services is \$36.5 million including 182.8 positions. The impact of the reductions by office is as follows:

Office of Curriculum and Instructional Programs

There is a reduction of 7.5 positions and \$1,059,111 in the Office of Curriculum and Instructional Programs. This includes a reduction of 2.0 positions and \$286,111 in the Department of Curriculum and Instruction. The coordinator of postsecondary partnerships position is eliminated. This position has responsibility for the Gateway to College program and other university partnership programs, working with businesses and community resources to create career-related opportunities for students, and managing the Carl D. Perkins grant. Efficiencies will need to be implemented to mitigate the cut of 1.0 administrative secretary position and funds for part-time salaries and materials. In the Department of Enriched and Innovative Programs, there is a reduction of 3.0 positions and \$293,052. The elimination of a 1.0 fiscal assistant position and 1.0 secretary position will reduce the efficiency of office operations and its ability to expedite the processing of personnel and financial transactions and reports. Eliminating a 1.0 instructional specialist position for elementary and secondary reading and language arts will limit systemwide training for the William and Mary, Junior Great Books, and Jacob's Ladder programs.

In the Department of Instructional Leadership Support, there is a reduction of 1.5 positions and other cuts in stipends, contractual services, and materials totaling \$316,699. Eliminating the supervisor for middle school instruction will limit support for implementation and monitoring of middle school expansion courses, the design and delivery of professional development for middle schools, and conducting class observations for the extended year program. To the extent possible, support will be provided by the director of middle school instruction and achievement and the remaining instructional specialist. Eliminating an instructional specialist will limit the department's ability to support the Grading and Reporting Project and communicate and provide quick responses to families and the community about the curriculum, instruction, and assessments. The .5 partnership manager position and \$57,935 previously cut in the budget is restored.

In the Department of Instructional Programs, there is a reduction of 1.5 secretarial positions and other resources totaling \$146,750. A 1.0 office assistant position is cut from the Prekindergarten Programs office. Three additional secretary/clerical positions will remain to provide office support. Also, a .5 secretary position is reduced from the director's office. A 1.0 secretary position will remain and provide support to the three positions in the office. A reduction of \$16,499 for substitutes and materials for the Bridge for Academic Validation program is possible based on actual spending in prior years.

Office of Special Education and Student Services

There is a reduction of 9.2 positions and other resources totaling \$972,357 in the Office of Special Education and Student Services. In the Department of Special Education Services, 2.0 positions and other resources totaling \$310,524 are eliminated. There is a reduction of a 1.0 special education supervisor position that provides oversight and supervision of the administration of the Alternate Maryland School Assessment, the Fundamental Life Skills curriculum development, and support to secondary special education resource teachers. The duties and responsibilities will be assigned to an instructional specialist. A reduction of an office assistant position in the Placement and Assessment Services Unit is not expected to significantly impact the operations of this unit since most of the duties and responsibilities of the position can be undertaken by the remaining secretaries. A cut in funds for part-time salaries and local travel can be made based on analysis of actual spending over the past several years.

In the Division of Prekindergarten, Special Programs, and Related Services, there is a reduction of 3.2 positions and \$298,581. There is a reduction of a 1.0 secretary position in the Preschool Education Program office, and a reduction of a .3 office assistant position in the Speech and Language Programs office. Because there are 2.0 secretarial positions remaining in each of these units, cutting these positions is not expected to significantly impact unit operations. There is reduction of a 1.0 instructional specialist position in the director's office. This position provides professional development for pre-K special education services, facilitates coteaching and inclusive practices, and assists with grant monitoring. All duties and responsibilities associated with this position will be reassigned to the remaining instructional specialist in the office. A .9 occupational therapist position that is budgeted to support students who require an assistive technology device has not been allocated and eliminating the position will not impact services to students.

In the Department of Student Services, 2.0 positions and \$223,781 is cut from the budget. The reduction of a 1.0 secretary position in the Residency and International Admissions Unit will require that the duties and responsibilities of the position be divided among the remaining four secretaries and office assistants. There also is a reduction of a coordinator position in the Disciplinary Review and School Assignment Unit. Because the number of expellable offenses has dropped significantly and the change of school assignment process normally subsides after September, there is less need for this position. The responsibilities of the position will be divided among the two remaining coordinators.

There is a reduction of 2.0 itinerant resource teacher positions and \$139,471. These positions provide central office case management; provide professional development on differentiated instruction, coteaching, and inclusive practices; administer reading and math interventions; and develop curriculum and modify formative and summative assessments. The duties and responsibilities of these positions will be distributed amount the six remaining positions.

Office of the Chief Operating Officer

There is a reduction of 4.0 positions and \$632,412 in the Office of the Chief Operating Officer. In the Department of Financial Services, there is a reduction of \$38,997 related to scanning file documents. This cut can be made because all scanning will be completed this year. A cut of \$97,487 for postage in the Department of Materials Management is possible due to fewer mailings and additional information that now is available on the MCPS website. There is a reduction of 4.0 positions and \$495,928 in the Division of Maintenance. Four individuals will complete the Maintenance Apprenticeship Program and move into existing mechanical system technician positions, allowing for a reduction of their current positions. In addition, there is a reduction for general maintenance supplies. Staff will work to ensure that supplies are used as efficiently as possible.

Office of the Chief Technology Officer

In the Office of the Chief Technology Officer, there is a reduction of 6.0 positions and \$1,247,004. Funds budgeted for contractual maintenance and telecommunications supplies are reduced by \$283,267. Scheduled systems support and maintenance will be reprioritized but there may be more system downtime related to delayed maintenance. In the Department of Information and Application Services, there is reduction 2.0 positions and \$243,009. The reduction of a 1.0 secretary position will impact day-to-day office operations and reduce the level of support that currently is available to office staff. Also, the reduction of a 1.0 applications specialist position will delay the translation and documentation of detailed specifications into user applications that support schools and students. Because department staff has been increasing their knowledge and capabilities with regard to the Lawson Human Resources Information System, consulting funds and software maintenance funds can be reduced.

A 1.0 director position, a 1.0 administrative secretary position and \$225,704 is eliminated from the Division of Technology Innovation. The 10 positions that report to this director will report directly to the director of the Department of Strategic Project Management and Planning. In the Department of Instructional Technology, there is a reduction of \$495,024 consisting of a cut of 2.0 instructional specialist positions, funds for substitutes and stipends, and a reduction in funds for school software maintenance. The instructional specialists offer technology training to teachers and provide direct technology support to schools. To the extent possible, the duties and responsibilities of the positions will be distributed to the other 15.2 specialist positions. However, it is likely that training schedules and support to schools will be delayed.

Office of Shared Accountability

In the Office of Shared Accountability, the elimination of 2.1 positions will result in a budget reduction of \$224,935. The reduction of a 1.0 evaluation specialist position in the Applied Research Unit will limit the unit's capacity to respond to, analyze, and report on student performance and program data and provide survey support to stakeholders. Eliminating a 1.0 administrative secretary position in the Department of Policy, Records,

and Reporting will reduce the level of direct clerical support for the department director. However, 3.0 office assistant positions will remain and day-to-day operations in the department will not be significantly impacted. A reduction of a .1 accountability support specialist III position in the Testing Unit will reduce the number of weekly hours the position works by 4 hours. This unit's ability to coordinate the administration of online assessments, including training and technical support may be impacted.

Office of the Deputy Superintendent of Schools and Office of Communications

There is a reduction of a 1.0 communication specialist/web producer position and \$95,000 in budget for the Department of Family and Community Partnerships (DFCP). This position assists in the development and production of documents describing DFCP programs and services such as the Parent Academy, ASK MCPS events, the *Parent Connections* quarterly newsletter, the Principal's Parent Involvement Toolkit, and the annual Back-to-School Fair. While some of the duties and responsibilities of the position can be assigned to other staff, the ability to provide timely communication to families and the community may be impeded. A reduction of a 1.0 associate videographer/editor position in the Office of Communications and a reduction of a .5 position and other resources in the Instructional Television Special Revenue fund will reduce the budget by \$223,578. These reductions will impact the ability of the MCPS television unit to continue to support schools and offices with their communication needs at current levels.

Office of Human Resources and Development

The budget for the Office of Human Resources and Development (OHRD) is reduced by 2.3 positions and \$507,061. In the Office of the Associate Superintendent for OHRD, there is a cut of \$216,361 that includes a cut of a .8 instructional specialist position and funds budgeted for part-time salaries, substitutes, and stipends. These reductions can be made based on efficiencies that have resulted from the FY 2011 reorganization that combined the offices of Human Resources and Organizational Development. In the Department of Certification and Continuing Education, there is a reduction of 1.5 positions and \$103,037. The elimination of a .5 staffing assistant position is possible due to the fact that the number of new hires is not as high as in prior years. Also, all staffing assistants in the department are cross-trained, and the remaining 1.5 positions will be able to manage the workload. Due to a 1.0 coordinator position vacancy this year, a certification specialist was placed in the coordinator position on an acting basis, and a certification assistant was placed in the certification specialist position on an acting basis. Thus, the certification assistant position that has remained unfilled this year is eliminated for FY 2012. No impact on the department workload and operations is anticipated. There is a reduction of \$187,663 in stipends and tuition payments for university partnership programs. These reductions are possible based on current year spending and the number of students projected to participate in FY 2012.

Resolution No.: 17-150
Introduced: May 26, 2011
Adopted: May 26, 2011

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: County Council

SUBJECT: Approval of and Appropriation for the FY12 Operating Budget of the Montgomery County Public School System

Background

1. As required by the Education Article, Sections 5-101 and 5-102 of the Maryland Code, the Board of Education sent to the County Executive and the County Council the FY12 Operating Budget for the Montgomery County Public School (MCPS) system as shown below.
2. The Executive sent to the Council his recommendations regarding this budget.
3. As required by Section 304 of the County Charter, the Council held public hearings on the Operating Budget and the Executive's recommendations on April 5, 6, and 7, 2011.
4. The appropriation in this resolution is based on the following projected revenues for FY12:

State:	\$559,837,103
Federal:	\$ 70,140,226
Other:	\$ 13,174,062
Enterprise:	\$ 56,533,742
5. This appropriation requires a local contribution of \$1,370,101,480 to Montgomery County Public Schools.
6. This resolution reappropriates \$17,000,000 of projected FY11 MCPS Current Fund balance.
7. The Superintendent submitted to the Council proposed reductions by State category to meet the approved expenditure level as reflected in this appropriation.

Action

The County Council for Montgomery County, Maryland approves the following resolution:

1. The Council approves the FY12 Operating Budget for the Montgomery County Public School system and appropriates the funds as shown below.

FY 2012 OPERATING BUDGET FOR MONTGOMERY COUNTY PUBLIC SCHOOLS

The Council approves and appropriates the following amounts:

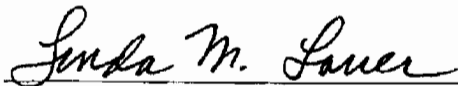
I. Current Fund Category	BOE Request March 2011	Council (Reduction)/ Addition	Council Approved Budget
1 Administration	39,496,294	(1,130,092)	38,366,202
2 Mid-level Administration	139,404,916	(3,159,538)	136,245,378
3 Instructional Salaries	847,046,612	(26,975,712)	820,070,900
4 Textbooks and Instructional Supplies	25,284,894	(336,074)	24,948,820
5 Other Instructional Costs	14,120,980	(265,766)	13,855,214
6 Special Education	280,336,383	(7,904,835)	272,431,548
7 Student Personnel Services	11,351,034	(309,706)	11,041,328
8 Health Services	54,670	-	54,670
9 Student Transportation	93,644,620	(447,493)	93,197,127
10 Operation of Plant and Equipment	116,587,792	(930,702)	115,657,090
11 Maintenance of Plant	33,666,617	(1,270,220)	32,396,397
12 Fixed Charges	547,859,895	(76,080,193)	471,779,702
14 Community Services	208,495	-	208,495
Subtotal, including specific grants	2,149,063,202	(118,810,331)	2,030,252,871
Less Specific grants	79,343,580	-	79,343,580
Subtotal, Spending Affordability	2,069,719,622	(118,810,331)	1,950,909,291
II. Enterprise Funds			
37 Instructional Television Fund	1,550,674	(125,674)	1,425,000
51 Real Estate Management Fund	3,266,430	-	3,266,430
61 Food and Nutrition Services Fund	47,025,335	(128,290)	46,897,045
71 Field Trip Fund	2,122,819	-	2,122,819
81 Entrepreneurial Fund	2,694,158	128,290	2,822,448
Subtotal, Enterprise Funds	56,659,416	(125,674)	56,533,742
Total Budget for MCPS	2,205,722,618	(118,936,005)	2,086,786,613

2. This resolution appropriates \$9,448,354 for the account titled “Provision for Future Supported Projects”, which provides funds for specific programs designated in a grant, contribution, reimbursement, or other non-county funding source received in FY12. When MCPS receives funds for a program from one of these sources, MCPS may transfer funds from this appropriation to the program. The following conditions are established on the use of this transfer authority:
 - a) The program must not require any present or future County funds.
 - b) Subject to the balance in the account, any amount can be transferred in FY12 for any program which meets at least one of the following four conditions: (1) the amount is \$200,000 or less; (2) the program was funded in FY 2011; (3) the program was included in the FY12 budget; (4) the program was funded by the Council in a supplemental or special appropriation in FY12. Any program that does not meet one of these four conditions must be funded by a supplemental or special appropriation.
 - c) MCPS must notify the Executive and the Council within 30 days after each transfer.
3. Any appropriation authorized in this resolution for any expenditure funded by non-County funds is contingent on the receipt of the non-County funds.
4. This resolution reappropriates or appropriates revenue received from non-County sources for programs funded in whole or in part from those non-County funds:
 - a) together with matching County funds, if any; and
 - b) to the extent that the program period approved by the non-County source encompasses more than one fiscal year, in order to complete the grant program under the terms of receipt of the non-County revenues.
5. This resolution reappropriates the fund balance of the Warehouse account.
6. The Council continues the procedure for transfers adopted in Resolution 12-889. This procedure applies only to the non-County portion of grant programs, and therefore only applies to those grant programs for which MCPS keeps separate accounts for County and non-County funds.
 - a) The Council will not take action on these transfers, so the transfers will be automatically approved after 30 days, as provided by State law.
 - b) MCPS staff must report each transfer to the Executive and the Council within 30 days after the transfer.

Corrected Page

7. The following provision applies when MCPS receives more non-County funds than were budgeted for a project that also receives some County funds:
 - a) Council approval is not required to substitute non-County funds for County funds. In this case, there is no change in the appropriation.
 - b) Council approval is required to increase the appropriation. The Council may decide to substitute non-County funds for the County funds instead of increasing the appropriation.
8. This resolution reappropriates encumbered appropriations, permitting them to be spent in FY12. Unencumbered appropriations lapse at the end of FY11 except as reappropriated elsewhere in this resolution.

This is a correct copy of Council action.



Linda M. Lauer, Clerk of the Council